

Before the
Federal Communications Commission
Washington, D.C 20554

In the Matter of)	
)	
Local Telephone Competition and Broadband)	WC Docket No. 04-141
Reporting)	
)	
Local Competition and Broadband Reporting)	CC Docket No. 99-301

**COMMENTS
OF THE
NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION**

The National Telecommunications Cooperative Association (NTCA)¹ submits these comments in response to the FCC's (Commission's) March 31 Notice of Proposed Rulemaking (NPRM) seeking comment about proposals to improve its Form 477 local competition and broadband data gathering program and the Initial Regulatory Flexibility Analysis accompanying the NPRM. NTCA's comments in this proceeding are limited to the Commission's inquiry into whether it should eliminate or lower the reporting threshold for broadband data.

NTCA is sympathetic to the needs of the Commission, but the information the Commission proposes to gather is unnecessarily detailed. Completing the proposed form will take too long for small companies with very limited resources. Reporting by small

¹ NTCA is the premier industry association representing rural telecommunications providers. Established in 1954 by eight rural telephone companies, today NTCA represents more than 560 rural rate-of-return regulated telecommunications providers. All of NTCA's members are full service incumbent local exchange carriers (ILECs) and many of its members provide wireless, cable, Internet, satellite and long distance services to their communities. Each member is a "rural telephone company" as defined in the Communications Act of 1934, as amended (Act). NTCA's members are dedicated to providing competitive modern telecommunications services and ensuring the economic future of their rural communities.

companies should remain voluntary and the Commission should not lower the threshold for mandatory reporting.

Should the Commission determine that all companies must report, the unique circumstances and limited resources of small companies dictates the use of a far less time consuming and burdensome questionnaire than the proposed Form 477.

I. THE COMMISSION SHOULD NOT LOWER THE THRESHOLD FOR MANDATORY BROADBAND REPORTING.

The Commission questions whether it should eliminate or lower the reporting threshold for broadband data.² NTCA is sympathetic to the commission's desire to gather meaningful information on broadband deployment. NTCA therefore supports the voluntary reporting of information by our members. In NTCA's experience, the key to participation by our small company members has been to request very limited information and to request it in a way that makes it easy to respond. This usually means seeking only the most important information. We often sacrifice precision and detail to obtain broader participation.

NTCA conducts two major surveying efforts annually—the Broadband/Internet Availability Survey, conducted each spring, and the Wireless Survey, conducted each fall. Participation in both is voluntary. NTCA's experience has been that response rates are directly correlated to the survey length, and hence, reporting burden.³ Many of those companies who do not participate in the surveys are simply unable to dedicate the necessary resources to completing and submitting the survey forms. Consequently, NTCA now strives to balance the conflicting goals of maximizing the quality of data

² NPRM ¶¶ 10-11.

³ NTCA's 2001 Wireless Survey, consisting of 11 questions, had a 49% response rate. The 2002 Wireless Survey grew to 29 questions, resulting in a 30% response rate—more than one-third fewer respondents.

collected while minimizing the burden on respondents. NTCA urges the commission to adopt a similar approach.

NTCA's 545 members serve a total of approximately 3,200,000 lines or less than 2% of the national number of access lines. These are small, but very progressive companies. Many have very small staffs and every minute used to compile data is one less minute available to provide customer service. Members with less than 2500 access lines (50% of our membership) have an average of 10 employees. The meticulous compilation of data by these companies requires a significant amount of their very scarce and very precious human resources. The burden imposed on these small companies is disproportionately greater than that imposed on larger companies with larger staffing. It is no trivial matter for small companies to divert resources from customer service to non-essential administrative activities. The proposed Form 477 or any streamlined version of it is a non-essential administrative activity that should remain voluntary to be completed only by those companies with available time and resources.

II. IF THE FCC REQUIRES MANDATORY REPORTING FROM ALL COMPANIES, A SIMPLE STREAMLINED QUESTIONNAIRE SHOULD BE AVAILABLE FOR SMALL COMPANIES.

NTCA does not support mandatory reporting by the small ILECs, but out of an abundance of caution, NTCA suggests a simpler form for small companies if the reporting is to be made mandatory. As explained above, NTCA's member companies are small businesses that lack the resources to devote to completing substantial and time consuming forms. The proposed Form 477 intends to gather a significantly greater quantity of information. While all of this information will certainly provide the Commission with a clearer picture of the state of the industry, the information presented

in the NPRM does not suggest a compelling national need for such a detailed, labor-intensive form. Further, any potential future expansion of Form 477 will further exacerbate the problems imposed on small carriers.

If the broadband reporting is to be made mandatory for all ILECs, a different form than the proposed 477 is appropriate for the small companies. The proposed Form 477 is simply too detailed and burdensome. It asks for information that will take several hours to compile. Small businesses such as NTCA's member companies do not have the personnel resources to devote to such a task. The FCC should instead make available to small companies a very short, one-page, no more than 10 answers (including all subparts) questionnaire that can be completed in thirty minutes or less.

In order to create a simpler form for small businesses, the Commission will be forced to weed through the current Form 477 and pull out only the most important and relevant questions. The Commission's goal for small companies should be not to gather information for information's sake but to ask only the most relevant and pertinent questions that will help shape future rules and policy. NTCA suggests the FCC conduct focus group sessions with rural companies when designing the questionnaire. This will maximize participation and hence the value of the data without imposing costly and burdensome mandatory reporting on these very small rural companies.

III. CONCLUSION

For the above-noted reasons, the Commission should not lower the threshold for mandatory broadband reporting. If the Commission should decide to do so, however, a simple streamlined questionnaire should be made available to small companies.

Respectfully submitted,

NATIONAL TELECOMMUNICATIONS
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CERTIFICATE OF SERVICE

I, Gail Malloy, certify that a copy of the foregoing Comments of the National Telecommunications Cooperative Association in WC Docket No. 04-141, CC Docket No. 99-301, FCC 04-81 was served on this 28th day of June 2004 by first-class, U.S. Mail, postage prepaid, to the following persons.

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